

Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 EB-07 INR-07

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R 201540Z SEP 76
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 8996
INFO EC COLLECTIVE 82
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION OECD PARIS

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E.O. 11652: N/A
TAGS: ELAB, NL
SUBJ: CONTINUED CONTROVERSY OVER PROFIT SHARING SCHEME

REF: THE HAGUE 4379; THE HAGUE 2671; THE HAGUE 2501 (NOTAL)

1. SUMMARY. THE DUTCH GOVERNMENTS PROPOSED PROFIT SHARING SCHEME (VAD) CONTINUES TO BE AN OBJECT OF CONTROVERSY, BUT THE GOVERNMENT HAS BEGUN TO INDICATE SOME WILLINGNESS TO COMPROMISE. END SUMMARY.

2. EMPLOYERS'S ORGANIZATIONS AND REPRESENTATIVES OF THE FINANCIAL COMMUNITY HAVE CONTINUED TO SPEAK OUT SHARPLY ON THE SERIOUS CONSEQUENCES FOR THE DUTCH ECONOMY IF THE VAD BILL IS PASSED AS IT STANDS. MOST OPPONENTS SEEM RESIGNED TO THE FACT THAT VAD IN SOME FORM IS INEVITABLE. THEY ARE NOW CONCENTRATING ON FORCING CHANGES IN THE MOST OBJECTIONABLE ASPECTS, ESPECIALLY PAYMENT IN THE FORM OF SHARES AND EXCLUSIVE TRADE UNION CONTROL OF THE FUND. TRADE UNIONS HAVE REMAINED ADAMANT THAT THE VAD BILL AS IT STANDS IS THE MINIMUM THEY CAN ACCEPT.

3. THE GOVERNMENT APPEARS TO BE OPENING THE DOOR SLIGHTLY TO COMPROMISE. SOCIAL AFFAIRS MINISTER BOERSMA LAST WEEK SAID
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THAT THE DRAFT BILL MIGHT BE WITHDRAWN FOR FURTHER STUDY

IF IT WERE PROVEN TO BE A SERIOUS THREAT TO THE DUTCH ECONOMY .
THE PRIME MINISTER PROMPTLY DENIED THAT THE GOVERNMENT HAD
ANY INTENTION OF WITHDRAWING THE BILL BUT HAS SINCE INDICATED
THAT IT COULD ACCEPT AN AMENDMENT TO HAVE VAD FUNDS ADMIN-
ISTERED JOINTLY BY THE GOVERNMENT AND TRADE UNIONS.

4. THE FOREIGN CHAMBERS OF COMMERCE IN THE NETHERLANDS
(INCLUDING AMCHAM) HAVE SUBMITTED A LETTER TO PARLIAMENT
WHICH INDICATES THAT VAD WILL COST THE NETHERLANDS FOREIGN
INVESTMENT WORTH 40,000 JOBS. THE FOREIGN CHAMBERS WILL BE
GIVEN AN OPPORTUNITY TO TESTIFY BEFORE THE VAD SPECIAL
COMMITTEE OF PARLIAMENT AT A PUBLIC HEARING ON SEPTEMBER 23.
REPRESENTATIVES OF DUTCH TRADE AND INDUSTRY, AS WELL AS TRADE
UNIONS, WILL ALSO TESTIFY. ONLY ONE INDUSTRIAL COMPANY
(SHELL) WILL BE GIVEN AN OPPORTUNITY TO BE HEARD.

5. RELEVANT DOCUMENTATION INCLUDING FOREIGN CHAMBERS' SUB-
MISSION AND TRANSLATION OF DRAFT BILL BEING FORWARDED BY
AIRGRAM.
GOULD

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Message Attributes

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